

§ 970.3 Definitions.

Act means the United States Housing Act of 1937.

Chief Executive Officer of a unit of general local government means the elected official or the legally designated official, who has the primary responsibility for the conduct of that entity's governmental affairs. Examples of the "chief executive officer of a unit of general local government" are: the elected mayor of a municipality; the elected county executive of a county; the chairperson of a county commission or board in a county that has no elected county executive; and the official designated pursuant to law by the governing body of a unit of general local government.

Demolition means the razing, in whole or in part, of one or more permanent buildings of a public housing project.

Disposition means the conveyance or other transfer by the PHA, by sale or other transaction, of any interest in the real estate of a public housing project, subject to the exceptions stated in § 970.2.

[50 FR 50894, Dec. 13, 1985, as amended at 60 FR 3716, Jan. 18, 1995]

§ 970.4 General requirements for HUD approval of applications for demolition or disposition.

HUD will not approve an application for demolition or disposition unless:

(a) The application has been developed in consultation with tenants of the project involved, any tenant organizations for the project, and any PHA-wide tenant organizations that will be affected by the demolition or disposition;

(b) Demolition or disposition (including any related replacement housing plan) will meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321), the National Historic Preservation Act of 1966 (16 U.S.C. 469), and related laws, as stated in the Department's regulations at 24 CFR part 50.

(c) Demolition or disposition (including any related replacement housing plan) will meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321), the National Historic Preservation Act of 1966 (16 U.S.C. 469), and related laws, as stated in the

Department's regulations at part 50 of this title. Where the site of the replacement housing is unknown at the time of submission of the application for demolition or disposition, the application shall contain an certification that the applicant agrees to assist HUD to comply with part 50 of this title and that the applicant shall:

(1) Supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by part 50 of this title;

(2) Carry out mitigating measures required by HUD or select alternate eligible property; and

(3) Not acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds to such program activities with respect to any eligible property, until HUD approval is received.

(d) The public housing agency has developed a replacement housing plan, in accordance with § 970.11, and has obtained a commitment for the funds necessary to carry out the plan over the approved schedule of the plan. To the extent such funding is not provided from other sources (*e.g.*, State or local programs or proceeds of disposition), HUD approval of the application for demolition or disposition is conditioned on HUD's agreement to commit the necessary funds (subject to availability of future appropriations).

(e) The PHA has complied with the offering to resident organizations, as required under § 970.13.

(f) The PHA has prepared a certification regarding relocation of residents, in accordance with § 970.5(h)(1). If relocation is required, the PHA must submit a relocation plan in accordance with § 970.5.

(g) The PHA has made the appropriate certifications regarding site and neighborhood standards, in accordance with § 970.11(h) (2) and (4).

[50 FR 50894, Dec. 13, 1985, as amended at 53 FR 30987, Aug. 17, 1988; 60 FR 3717, Jan. 18, 1995]

§ 970.5 Displacement and relocation.

(a) *Relocation of displaced tenants on a nondiscriminatory basis.* Tenants who are to be displaced as a result of demolition or disposition must be offered

opportunities to relocate to other comparable/suitable (see HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition) decent, safe, sanitary, and affordable housing (at rents no higher than permitted under the Act,) which is, to the maximum extent practicable, housing of their choice, on a nondiscriminatory basis, without regard to race, color, religion (creed), national origin, handicap, age, familial status, or sex, in compliance with applicable Federal and State laws.

(b) *Relocation resources.* Relocation may be to other publicly assisted housing. Housing assisted under Section 8 of the Act, including housing available for lease under the Section 8 Housing Voucher Program, may also be used for relocation, provided the PHA ensures that displaced tenants are provided referrals to comparable/suitable relocation dwelling units where the family's share of the rent to owner following relocation will not exceed the total tenant payment, as calculated in accordance with §813.107 of this title. If the PHA provides referrals to suitable/comparable relocation housing (comparable housing if the displacement is subject to the URA) and a tenant with a rental voucher elects to lease a housing unit where the family's share of rent to owner exceeds the amount calculated in accordance with §813.107 of this title, the tenant will be responsible for the difference between the voucher payment standard and the rent to owner. If there are no units with rents at or below the voucher payment standard to which the PHA may refer families, then the PHA cannot use vouchers as a relocation housing source.

(c) *Applicability of URA rules.* (1) The displacement of any person (household, business or nonprofit organization) as a direct result of acquisition, rehabilitation, or demolition for a Federal or federally assisted project (defined in paragraph (j) of this section) is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA) (42 U.S.C. 4601–4655) and implementing regulations at 49 CFR part 24. Therefore, if the PHA demolishes the property, or disposes of it to a Federal agency or to

a person or entity that is acquiring the property for a federally assisted project, the demolition or acquisition is subject to the URA, and any person displaced (as described in paragraph (i) of this section) as a result of such action is eligible for relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24.

(2) As described in §970.11, public housing units that are demolished must be replaced. Any person displaced (see paragraph (i) of this section) as a direct result of acquisition, demolition or rehabilitation for a project receiving Federal financial assistance (e.g., ACC) that provides the required replacement housing, must be provided relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24.

(d) *Applicability of antidisplacement plan.* If CDBG funds (part 570 of this title), or HOME funds (part 91 of this title) are used to pay any part of the cost of the demolition or the cost of a project (defined in paragraph (j) of this section) for which the property is acquired, the transaction is subject to the Residential Antidisplacement and Relocation Assistance Plan, as described in the cited regulations.

(e) *Relocation assistance for other displaced persons.* Whenever the displacement of a residential tenant (family, individual or other household) occurs in connection with the disposition of the real property, but the conveyance is not for a Federal or federally assisted project (and is, therefore, not covered by the URA), the displaced tenant shall be eligible for the following relocation assistance:

(1) *Advance written notice of the expected displacement.* The notice shall be provided as soon as feasible, describe the assistance to be provided and the procedures for obtaining the assistance; and contain the name, address and phone number of an official responsible for providing the assistance;

(2) Other advisory services, as appropriate, including counseling and referrals to suitable, decent, safe, and sanitary replacement housing. Minority persons also shall be given, if possible, referrals to suitable decent, safe and sanitary replacement dwellings that

are not located in an area of minority concentration;

(3) Payment for actual reasonable moving expenses, as determined by the PHA;

(4) The opportunity to relocate to a suitable, decent, safe and sanitary dwelling unit at a rent that does not exceed that permitted under section 3(a) of the 1937 Act. All or a portion of the assistance may be provided under section 8 of the 1937 Act; and

(5) Such other Federal, State or local assistance as may be available.

(f) *Temporary relocation.* Residential tenants who will not be required to move permanently, but who must relocate temporarily (e.g., to permit property repairs), shall be provided:

(1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary housing, any increase in monthly rent/utility costs, and the cost of reinstalling telephone and cable TV service.

(2) Appropriate advisory services, including reasonable advance written notice of:

(i) The date and approximate duration of the temporary relocation;

(ii) The suitable, decent, safe and sanitary housing to be made available for the temporary period;

(iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling in the building/complex following completion of the repairs; and

(iv) The provision for reimbursement of out-of-pocket expenses (see paragraph (f)(1) of this section).

(g) *Appeals.* A person who disagrees with the PHA's determination concerning whether the person qualifies as a "displaced person" or the amount of the relocation assistance for which the person is eligible, may file a written appeal of that determination with the PHA. A person who is dissatisfied with the PHA's determination on his or her appeal may submit a written request for review of the PHA's determination to the HUD Field Office.

(h) *Responsibility of PHA.* (1) The PHA shall certify that it will comply with the URA, implementing regulations at 49 CFR part 24, and the requirements of

this section, and shall ensure such compliance, notwithstanding any third party's contractual obligation to the PHA to comply with these provisions.

(2) The cost of required relocation assistance is an eligible project cost in the same manner and to the same extent as other project costs. (See definition of "project" in paragraph (j) of this section.) Such costs may also be paid for with funds available from other sources.

(3) The PHA shall maintain records in detail sufficient to demonstrate such compliance. The PHA shall maintain data on the race, ethnic, gender, and handicap status of displaced persons.

(i) *Definition of displaced person.* (1) *General definition.* For purposes of this section, the term "displaced person" means any person (household, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a Federal or federally assisted project.

(2) *Persons who qualify.* The term "displaced person" includes, but may not be limited to:

(i) A person who moves permanently from the real property after the PHA, or the person acquiring the property, issues a vacate notice to the person, or refuses to renew an expiring lease in order to evade the responsibility to provide relocation assistance, if the move occurs on or after the date of HUD approval of the demolition or disposition;

(ii) Any person who moves permanently, including a person who moves before the date of HUD approval of the demolition or disposition, if HUD or the PHA determines that the displacement resulted from the demolition or disposition of the property and is subject to the provisions of this section; or

(iii) A tenant-occupant of a dwelling who moves permanently from the building/complex on or after the date HUD approves the demolition or disposition, if the move occurs before the tenant is provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex, under reasonable terms and

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conditions, upon completion of the project. Such reasonable terms and conditions shall include a monthly rent and estimated average monthly utility costs that do not exceed that permitted under section 3(a) of the 1937 Act.

(iv) A tenant-occupant of a dwelling who is required to relocate temporarily and does not return to the building/complex, if either:

(A) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with such temporary relocation (including the cost of moving to and from the temporarily occupied unit, any increase in rent/utility costs, and the cost of reinstalling telephone and cable TV service).

(B) Other conditions of the temporary relocation are not reasonable.

(v) A tenant-occupant of a dwelling who moves from the building/complex permanently after he or she has been required to move to another unit in the same building/complex if either:

(A) The tenant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move; or

(B) Other conditions of the move are not reasonable.

(3) *Persons not eligible.* Notwithstanding the provisions of paragraphs (i)(1) and (i)(2) of this section, a person does not qualify as a “displaced person” (and is not eligible for relocation assistance under this section), if:

(i) The person has been evicted for serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable Federal, State or local law, or other good cause, and the PHA determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(ii) The person moved into the property after the submission of the application for the demolition or disposition and, before commencing occupancy, received written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, or suffer a rent increase) and the fact that he or she would not qualify as a “displaced person” (or for assistance under this section) as a result of the project;

(iii) The person is ineligible under 49 CFR 24.2(g)(2); or

(iv) HUD determines that the person was not displaced as a direct result of an action covered by this section.

(j) *Definition of project.* For purposes of this section, the term “project” means one or more activities (e.g., real property acquisition, demolition or construction) paid for in whole or in part with Federal financial assistance. Two or more activities that are integrally related, each essential to the other(s), are considered one project, whether or not all of the component activities are federally assisted.

(k) *Definition of initiation of negotiations.* For purposes of providing the appropriate notices and determining the formula for computing a replacement housing payment under the URA to a tenant displaced from a dwelling as a direct result of demolition or private owner acquisition, the term “initiation of negotiations” means HUD approval of the demolition or disposition under this part.

[60 FR 3717, Jan. 18, 1995]

§970.6 Specific criteria for HUD approval of demolition requests.

In addition to other applicable requirements of this part, HUD will not approve an application for demolition unless HUD determines that one of the following criteria is met:

(a) In the case of demolition of all or a portion of a project, the project, or portion of the project, is obsolete as to physical condition, location, or other factors, making it unusable for housing purposes *and* no reasonable program of modifications, is feasible to return the project or portion of the project to useful life. The Department generally shall not consider a program of modifications to be reasonable if the costs of such program exceed 90 percent of total development cost (TDC). Major problems indicative of obsolescence are—

(1) As to physical condition: Structural deficiencies (e.g. settlement of earth below the building caused by inadequate structural fills, faulty structural design, or settlement of floors), substantial deterioration (e.g., severe termite damage or damage caused by extreme weather conditions), or other